

## Message Text

LIMITED OFFICIAL USE

PAGE 01 FRANKF 06068 191517Z

46

ACTION EUR-25

INFO OCT-01 ISO-00 EURE-00 XMB-07 ACDA-19 CIAE-00 INR-10

IO-13 L-03 NSAE-00 NSC-10 RSC-01 SCI-06 SCEM-02 EB-11

DRC-01 /109 W

----- 005823

P R 191446Z SEP 73

FM AMCONSUL FRANKFURT

TO SECSTATE WASHDC PRIORITY 5434

INFO AEC GERMANTOWN

AEC BRUSSELS 842

AMEMBASSY BONN

LIMITED OFFICIAL USE FRANKFURT 6068

E.O. 11652: N/A

TAGS: EFIN, GW

SUBJECT: NUKEM PURCHASE OF ENRICHED URANIUM

DEPT PASS EXIM BANK PRIORITY FOR ED HUSTON

STATE FOR CE: CHARLES G. WOOTTON

FROM HIRSHBERG

REF: BRUSSELS 5180

1. NUKEN DIRECTOR STEPHANY TOLD ME TODAY THAT HE BELIEVES IT WILL NOT BE FINANCIALLY FEASIBLE FOR HIS FIRM TO PURCHASE ENRICHMENT SERVICES FROM AEC UNLESS THE DEAL IS PLACED UNDER OFFSET, THEREBY PROBIDING AN FRG CONTRIBUTION OF AROUND THIRTY MILLION DOLLARS TO CARRYING CHARGES. THE NEW FEATURE OF THE NUKEM PROPOSAL, WHICH WILL BE DISCUSSED SEPTEMBER TWENTY WITH AEC ASSISTANT GENERAL MANAGER FLAHERTY (SEE REFTEL), IS THAT THE COMPANY WOULD ALSO PURCHASE URANIUM ORE FROM U.S. SOURCES.

2. AT STAKE IS AROUND ONE HUNDRED MILLION DOLLARS FOR ENRICHMENT  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 FRANKF 06068 191517Z

SERVICES (THREE THOUSAND TONS) PLUS COST OF URANIUM ORE. STEPHANY

SAYS THAT NUKEM HAS HAD INTERESTING FEELERS FROM THE RUSSIANS TO PROVIDE ENRICHMENT AT COMPETITIVE PRICES. URENCO AND THE FRENCH ARE OTHER ALTERNATIVE SOURCES OF SUPPLY. ACCORDING TO STEPHANY, BOTH NUKEM AND THE GERMAN UTILITIES ARE IN THE MOOD TO SEEK ACTIVELY FOR ALTERNATIVE SOURCES BECAUSE OF DISPLEASURE OVER USAEC "MONOPOLY TACTICS" IN UNILATERALLY ANNOUNCING REVISED CONTRACT TERMS FOR ENRICHMENT.

3. INASMUCH AS CARRYING CHARGES ARE THE SIGNIFICANT FINANCIAL FACTOR, STEPHANY SAID NUKEM WOULD HAVE SOME INTEREST IN EXPLORING EXIMBANK FINANCING IF THE PROPOSED OFFSET DEAL DOES NOT MATERIALIZE. HE WANTS TO KNOW WHETHER FIVE- OR SEVEN-YEAR FINANCING ON AN "INTEREST ONLY" BASIS (I.E. WITH THE PRINCIPAL TO BE REPAID IN A LUMP SUM AT THE END OF THE FINANCING PERIOD) WOULD BE CONSIDERED BY EXIMBANK.

4. HIRSHBERG WILL TRY TO PHONE WOOTTON AND HUSTON SEPTEMBER NINETEEN P.M. RE THE FOREGOING. HARLAN

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** URANIUM, CONTRACTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 SEP 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973FRANKF06068  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** FRANKFURT  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730925/aaaaasdy.tel  
**Line Count:** 79  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** BRUSSELS 5180  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 07 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <07-Aug-2001 by kelleyw0>; APPROVED <19 FEB 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NUKEM PURCHASE OF ENRICHED URANIUM DEPT PASS EXIM BANK PRIORITY FOR ED HUSTON  
**TAGS:** EFIN, GE, US, AEC, EXIMBANK  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005